

Washington, DC — On Wednesday, Congressman Joe Sestak (PA-07), who is Vice-Chairman of the Small Business Committee, announced passage of H.R. 1322, the Small Business Lending Improvements Act, which makes positive improvements to the Small Business Administration (SBA) loan programs.

“In order for small businesses to succeed, they need to have access to financing,” stated Congressman Sestak. “H.R. 1332 improves the flow of capital for small businesses by building on an already successful economic development program.”

Small businesses in America are often the catalysts for economic growth, and they rely heavily on the SBA’s lending initiatives, particularly the 7(a) program. These loan programs are excellent examples of effective public/private partnerships and they help promote sound financial private sector entrepreneurship. However, in the past, Congress has failed to adequately support this vital program. As a result, small firms have been receiving less capital – a decline in investment that is impacting communities nationwide. The Microloan program is similarly endangered. H.R. 1332 strengthens access to capital programs for U.S. small businesses to invest, grow and strengthen our economy by building on the success of SBA’s 7(a) and 504 loan programs. The Small Business Lending Improvements Act includes provisions that strengthen these programs. Specifically, the bill:

Reduces burdensome borrower and lender fees on 7(a) loans.

Increases lender participation in the 7(a) program, particularly by small banks and community lenders, by reducing application burdens and expediting the process.

Creates an initiative to reduce borrower and lender fees to doctors and dentists located in federally designated Health Professional Shortage Areas, and to eliminate those fees and increase the guarantee for loans made to veteran owned small businesses.

Makes long overdue changes to strengthen the community ties between certain lenders (Certified Development Companies (CDC)/504) and their local economies and give CDCs the tools they need to make the loans that are needed by area businesses.

Provides a simplified and straightforward standard for determining small business loan eligibility.

“The improvements made by this bill will enhance access to capital, and will continue to improve the economic health of our nation’s small businesses,” stated Joe.

As Vice Chairman of the Small Business Committee, Congressman Sestak has worked to support new and small businesses through open access to loans, credit and capital, advocates fair and true tax relief for small business, and work to reduce onerous regulations and paperwork. Recently, he held a summit on Economic Development, which brought together local chambers of commerce, business owners, economic development professionals, elected officials, union leaders, and members of the higher education and advanced training communities to discuss and work on strategies to enhance the local and regional economy. And he and Chairwoman Nydia Velazquez of the Small Business Committee are holding an additional economic summit in June to help address the needs of our local economy. Congressman Sestak has cosponsored the Family Small Business Tax Fairness Act (H.R. 868) with Congressman Lloyd Doggett (D-TX) to streamline small business joint-tax filings and through his work on the Education and Labor Committee he helped increase the federal minimum wage to \$7.25 an hour by joining Chairman George Miller in introducing and voting on the Fair Minimum Wage Act (H.R. 2).

H.R. 1322, the Small Business Lending Improvements Act, passed by a vote of 380 to 45.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "DeepBlue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. □ According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. House of Representatives.

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